

Joint Appropriations Subcommittee On Health And Human Services

A Benefis Health System Perspective On Medicaid Expansion ¹

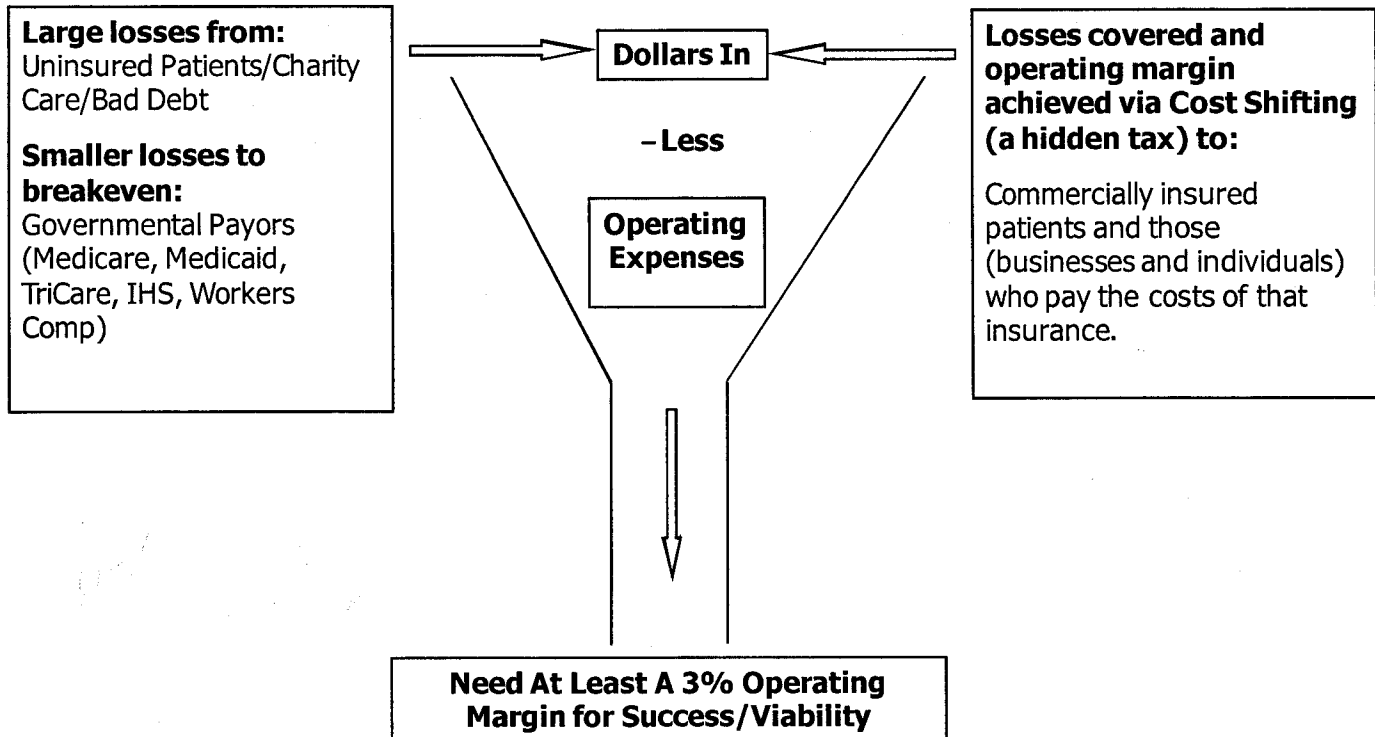
John Goodnow, CEO

EXHIBIT

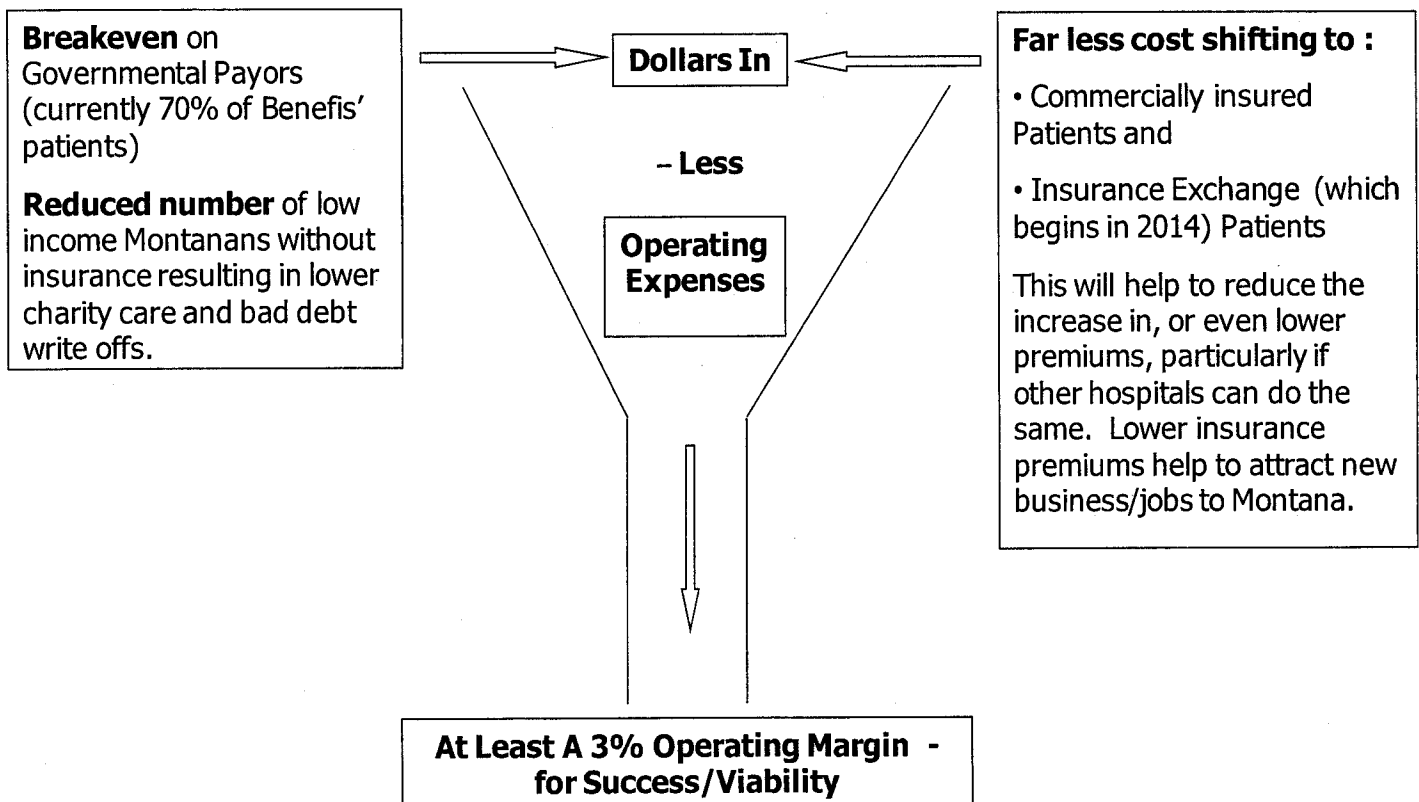
DATE 1/16/13

HB

What Has Been The Typical Revenue Picture In Hospitals



Benefis Health System's Goal For 2014



- Benefis Health System 2012 Payor Mix:

Medicare	52%
Medicaid	11%
Champus/Tricare	4%
Indian Health Services	2%
Worker's Comp	<u>1%</u>
Total Governmental	70%
BlueCross BlueShield of Montana	13%
All Other Commercial Insurers	11%
BHS Self Insured Plan	<u>1%</u>
Total Commercial	25%
Self Pay (post charity care)	5%
Grand Total (70+25+5)	100%

EXPANSION OF COVERAGE FOR LOW INCOME MONTANAS

- Does Benefis Health System support: Yes
- Why we think the Legislature should support:
 - Coverage will decrease the "hidden tax" businesses/individuals pay on commercial insurance (per my previous page).
 - Job creation/positive economic impact in Montana (Gregg Davis, University of Montana Bureau of Business and Economic Research, presented a State-wide high level analysis on 1-12-13. Benefis Health System has also commissioned Gregg to do two studies specific to Cascade County).
 1. The impact of the Medicaid expansion (if Montana expands) and the new Insurance Exchange on added demands for ambulatory services (primary care, surgical specialty, medical specialty, hospital outpatient, and hospital emergency department visits per year), and a detailed analysis for primary care capacity and demand in Cascade County.
 2. The economic impact of Medicaid expansion (again, if Montana expands) on Cascade county.
 - Expanded coverage for low income Montanans (vs. them being uninsured) will facilitate them seeking earlier care and using less costly (vs. ERs) settings – good for the State from a cost perspective.
 - The Montana Hospital Association will make recommendations on how to make Medicaid less costly for the State. If we (Providers – Hospitals and Physicians, and DPHHS) cannot demonstrate that we can reduce the spend/beneficiary over the next 3 years, the Legislature could decrease eligibility back to current levels in the 2017 session, if necessary. However, I am confident that will not be necessary.